

Airview Estates, Inc. Sewage Treatment Plant

10411 FOREST GARDEN LANE ♦ LOUISVILLE, KENTUCKY 40223
502-426-0061

December 15, 2003

Tom Dorman
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

2003-60494


RE: Application for an Adjustment in Rates Pursuant to
the Alternative Rate Filing Procedure for Small Utilities

This is an application to request Commission approval for an increase in Airview Estates, Inc. Sewage Treatment Plant's rate pursuant to the Alternative Rate Filing Procedure for Small Utilities. Attached is the completed "ARF Application."

The Company has mailed written notice of the proposed rate change and the estimated amount of increase per customer class to each customer. A copy of the customer notification letter and affidavit from the Company's Owner verifying that the notice has been mailed to each customer is enclosed.

A copy of this application and related filings has been sent to the Office of the Attorney General, State Capitol Building, Suite 118, Frankfort, KY 40601.

Sincerely,



Fred Schlatter, President

Enclosure

**AIRVIEW ESTATES, INC.
SEWAGE TREATMENT PLANT**

**APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION OF
KENTUCKY**

DECEMBER 15, 2003

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APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

For Small Utilities
Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

Airview Estates, Inc. Sewage Treatment Plant

Name of Utility

10411 Forest Garden Lane

Louisville, KY 40223

Business Mailing Address

Telephone Number **502 / 426 - 0061**

Area Code

Number

I. Basic Information

NAME, TITLE, ADDRESS and Telephone number of the person to whom correspondence or communications concerning this application should be directed:

Name: **Fred Schlatter, President**

Address: **10411 Forest Garden Lane**

Louisville, KY 40223

Telephone Number: **502 - 426 - 0061**

- | | | | |
|----|---|---|----|
| 1) | Do you have 500 customers or fewer? | <input checked="" type="checkbox"/> Yes | No |
| 2) | Do you have \$300,000 in Gross Annual Revenue or less? | <input checked="" type="checkbox"/> Yes | No |
| 3) | Has the Utility filed an annual report with this Commission for the past year and the two previous years? | <input checked="" type="checkbox"/> Yes | No |
| 4) | Are the utility's records kept separate from any other commonly-owned enterprise? | <input checked="" type="checkbox"/> Yes | No |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

II. Increased Cost Information

- (1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for the 12 months ending December 31, 2002.

- a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

	Test Period Operations	Pro Forma Adjustments	Adj. Ref.	Pro Forma Operations
Operating Revenues:				
Residential Flat Rate	\$ 53,729	\$ 1,183	(a)	\$ 54,912
Operating Expenses:				
Operation & Maintenance:				
Owner/Manager Fee	\$ 3,600	\$ 0		\$ 3,600
Other - Management Fee	2,750	250	(b)	3,000
Sludge Hauling	990	0		990
Utility Service - Water	8,076	(7,507)	(c)	569
Other - Testing/Analysis Fee	10,020	(140)	(d)	9,880
Fuel & Power - Electricity	4,135	0		4,135
Chemicals	530	0		530
Routine Maintenance Fee	6,600	1,800	(e)	8,400
Maint - Collection System	1,753	0		1,753
Maint - Pumping System	1,848	(1,712)	(f)	136
Maint - Treatment & Disposal	16,674	(6,849)	(g)	9,825
Maint - Other Plant	1,650	0		1,650
Agency Collection Fees	2,284	0		2,284
Office Supplies & Other Exp.	119	0		119
Outside Services Employed	2,583	0		2,583
Insurance	1,466	0		1,466
Transportation	33	0		33
Total Operation & Maint.	\$ 65,111	\$ (14,158)		\$ 50,953
Depreciation	967	(210)	(h)	757
Amortization	0	2,854	(i)	2,854
Taxes Other Than Income	1,308	0		1,308
Total Operating Expenses	\$ 67,386	\$ (11,514)		\$ 55,872
Net Operating Income	\$ (13,657)	\$ 12,697		\$ (960)

- b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

Refer to Attachment A for descriptions and the supporting calculations for each proposed pro forma adjustment.

- c. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

Customer Class	Present Monthly Rate	Proposed Monthly Rate	Percentage Increase
Flat Residential Rate - Interest	\$ 23.96	\$ 28.45	18.740%
Monthly Construction Surcharge	0.00	17.31	N/A

III. Other Information

a. Please complete the following questions:

- 1) Please describe any events or occurrences, which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

2) Total number of Customers
as of the date of filing: 191

3) Total amount of increased
revenue requested: (Exhibit C) \$10,297; Surcharge \$39,663

4) Please circle Yes or No:

a) Does the utility have any outstanding
indebtedness? ☒ Yes ☐ No

If yes, attach a copy of any documents
such as promissory notes, bond
resolutions, mortgage agreements, etc.

b) Were all revenues and expenses listed
in the Annual Report for 2002 incurred
and collected from January 1 to
December 31 of that year? ☒ Yes ☐ No

If no, list total revenues and total
expenses incurred prior to or
subsequent to this period and attach
invoices or other analysis which show
how amounts were calculated.

- 5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 2002 and the amount shown on this schedule.

Pro forma depreciation schedule attached hereto as Attachment B.

- 6) If utility is a sewer utility:
- a) Attach a copy of the latest State and Federal Income Tax Returns. **Copies of the Income Tax Returns are attached.**
 - b) How much of the utility plant was recovered through the sale of lots or other contributions 100% \$ or %? (If unknown, state the reason).

- b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

The current rate is not adequate to cover increases in the operating expenses that have occurred since Airview's last rate case. Also, Airview is not able to fund its capital expenditures that are required to meet the Division of Water and Commission regulatory standards. Airview is requesting a 3-year surcharge to fund those capital costs.

IV. Billing Analysis

The billing analysis is the chart reflecting the usage by the customers as well as the revenue generated by a specific level of rates. A billing analysis of both the current and proposed rates is mandatory for analysis of this rate filing. The following is a step-by-step description which may be used to complete the billing analysis. A completed sample of a billing analysis is also included. Although the sample reflects water usage, it is equally applicable for gas companies using declining block rate design. This billing analysis is not intended for companies using a flat rate design. **N/A – Sewer customers are charged a flat rate.**

a. Usage Table (Usage by Rate Increment)

Information needed to complete the usage table should be obtained from the meter books or other available usage records. The usage table is used to spread total usage into the proper incremental rate step.

Column No. 1 is the incremental steps in the present or proposed rate schedule for which the analysis is being made. Column No. 2 is the number of bills in each incremental rate step. Column No. 3 is the total gallons used in each incremental rate step. Column Nos. 4, 5, 6, 7, 8, and 9 are labeled to correspond to the incremental rate steps shown in Column No. 1 and contain the actual number of gallons used in each incremental rate step.

Example for completing Usage Table is as follows:

Column No. 1 is incremental rate steps.

Columns numbered 2 and 3 are completed by using information obtained from usage records.

Columns numbered 4, 5, 6, 7, 8, and 9 are completed by the following steps:

Step 1: 1st 2,000 gallons minimum bill rate level
 432 Bills
 518,400 gallons used
 All bills use 2,000 gallons or less, therefore, all usage
 is recorded in Column 4.

Step2: Next 3,000 gallons rate level
 1,735 Bills
 4,858,000 gallons used
 1st 2,000 minimum x 1,735 bills = 3,470,000 gallons –
 record in Column 4.
 Next 3,000 gallons – remainder of water over 2,000 =
 1,388,000 gallons – record in Column 5.

Step3: Next 10,000 gallons rate level
 1,830 Bills
 16,268,700 gallons used
 $1^{st} \text{ 2,000 minimum} \times 1,830 \text{ bills} = 3,660,000 \text{ gallons} -$
 record in Column 4.
 $\text{Next } 3,000 \text{ gallons} \times 1,830 \text{ bills} = 5,490,000 \text{ gallons} -$
 record in Column 5.
 $\text{Next } 10,000 \text{ gallons} - \text{remainder of water over } 3,000$
 $= 7,118,700 \text{ gallons} - \text{record in Column 6.}$

Step4: Next 25,000 gallons rate level
 650 Bills
 15,275,000 gallons used
 $1^{st} \text{ 2,000 minimum} \times 650 \text{ bills} = 1,300,000 \text{ gallons} -$
 record in Column 4.
 $\text{Next } 3,000 \text{ gallons} \times 650 \text{ bills} = 1,950,000 \text{ gallons} -$
 record in Column 5.
 $\text{Next } 10,000 \text{ gallons} \times 650 \text{ bills} = 6,500,000 \text{ gallons} -$
 record in Column 6.
 $\text{Next } 25,000 \text{ gallons} - \text{remainder of water over } 10,000$
 $= 5,525,000 \text{ gallons} - \text{record in Column 7.}$

Step5: Over 40,000 gallons rate level
 153 Bills
 9,975,600 gallons used
 $1^{st} \text{ 2,000 minimum} \times 153 \text{ bills} = 306,000 \text{ gallons} -$
 record in Column 4.
 $\text{Next } 3,000 \text{ gallons} \times 153 \text{ bills} = 459,000 \text{ gallons} -$
 record in Column 5.
 $\text{Next } 10,000 \text{ gallons} \times 153 \text{ bills} = 1,530,000 \text{ gallons} -$
 record in Column 6.
 $\text{Next } 25,000 \text{ gallons} \times 153 \text{ bills} = 3,825,000 \text{ gallons} -$
 record in Column 7.
 $\text{Over } 40,000 \text{ gallons} - \text{remainder of water over } 25,000$
 $= 3,855,600 \text{ gallons} - \text{record in Column 8.}$

Step6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

The Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains the revenue produced.

Revenue from Present/Proposed Rates
 Test Period from 01-01-XX to 12-31-XX

USAGE TABLE
Usage by Rate Increment

Class: Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 2,000	(5) Next 3,000	(6) Next 10,000	(7) Next 25,000	(8) Over 40,000	(9) Total
First 2,000 Minimum Bill	432	518,400	518,400					518,400
Next 3,000 Gallons	1,735	4,858,000	3,470,000	1,388,000				4,858,000
Next 10,000 Gallons	1,830	16,268,700	3,660,000	5,490,000	7,118,700			16,268,700
Next 25,000 Gallons	650	15,275,000	1,300,000	1,950,000	6,500,000	5,525,000		15,275,000
Over 40,000 Gallons	153	9,975,600	306,000	459,000	1,530,000	3,825,000	3,855,600	9,975,600
Totals	4,800	46,895,700	9,254,400	9,287,000	15,148,700	9,350,000	3,855,600	46,895,700

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 2,000 Minimum Bill	4,800	9,254,400	\$ 5.00 Minimum Bill	\$ 24,000.00
Next 3,000 Gallons		9,287,000	\$ 2.50 per 1,000 Gal.	23,217.50
Next 10,000 Gallons		15,148,700	\$ 2.00 per 1,000 Gal.	30,297.40
Next 25,000 Gallons		9,350,000	\$ 1.25 per 1,000 Gal.	11,687.50
Over 40,000 Gallons		3,855,600	\$ 0.75 per 1,000 Gal.	2,891.70
Totals	4,800	46,895,700		\$ 92,094.10 Total Revenue

Instructions for Completing Revenue Table:

- (1) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (2) Complete Column No. 4 using rates either present or proposed.
- (3) Column No. 5 is completed by first multiplying the bills times the minimum charge.
- (4) Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

b. An original and 10 copies of the completed application should be sent to:

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

Telephone: 502 / 564 – 3940

c. One Copy of the completed application should also be sent at the same time to:

Public Service Litigation Branch
Office of the Attorney General
Post Office Box 2000
Frankfort, Kentucky 40602-2000

2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.

3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502 / 564 – 3940.

4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed



Officer of the Company

Title

President

Date

12-15-03

**EXHIBIT A
PROPOSED PRO FORMA
ADJUSTMENTS**

a. Normalized Operating Revenue:						
Revenue normalization using end of period customers and the current tariffed rate.						
Tariffed Monthly Rate					\$	24
Multiplied by: Rate Payers - Application Date						191
Monthly Normalized Operating Revenue					\$	4,576
Multiplied by: 12-Months						12
Normalized Operating Revenue					\$	54,912
Less: Reported Operating Revenue						53,729
Pro Forma Adjustment					\$	1,183
b. Management Fee:						
Management fee reflected only 11 months.						
Monthly Fee					\$	250
Multiplied by: 12-Months						12
Annual Management Fee					\$	3,000
Less: Reported Management Fee						2,750
Pro Forma Adjustment					\$	250
c. Utility Service - Water:						
Test-period water expense was overstated due to the recirculation pump being broken.						
Check		Service		Purchases	Total	
Date	No.	From	To	Gal.	Billed	
03/10/03	3327	01/07/03	02/06/03	29,700	\$	147
04/03/03	3335	02/06/03	03/07/03	200		18.34
05/05/03	3343	03/07/03	04/03/03	0		18.34
06/02/03	3355	04/03/03	05/07/03	5,600		35.04
07/07/03	3367	05/07/03	06/05/03	0		18.34
Totals				35,500	\$	237
5-Month Averages				7,100	\$	47
Average Monthly Cost in 2003					\$	47
Multiplied by: 12 Months						12.00
Pro Forma Utility Service - Water					\$	569
Less: Utility Service - Water						8,076
Pro Forma Adjustment					\$	(7,507)

d. Testing/Analysis Expense:					
Normalized testing/analysis expense reflects the KPDES testing requirement and the current fee.					
Fee per Test				\$	190
Multiplied by: # of Tests per Year - Weekly	52				
Pro Forma Level				\$	9,880
Less: Test Period Level					10,020
Pro Forma Adjustment				\$	(140)
e. Routine Maintenance Fee:					
In 2003, Airview's licensed operator quit. This adjustment recognizes the monthly fee of the new operator.					
Pro Forma Monthly Fee				\$	700
Multiplied by: 12-Months	12				
Pro Forma Level				\$	8,400
Less: Test Period Level					6,600
Pro Forma Adjustment				\$	1,800
f. Maint - Pumping System:					
Remove nonrecurring expenditure that has been amortized rather than expensed.					
Vendor		Description		Amount	
Quality Electric Motor Ser.	38577	Rebuilt Seweage Pump		\$	(1,712)
g. Maint - Treatment & Disposal					
Remove nonrecurring expenditure that has been amortized rather than expensed. Also, lift station being replaced so all repair costs have been removed.					
Vendor		Description		Amount	
Covered Bridge Utilities				\$	(639)
Covered Bridge Utilities					(551)
Maintenance Lift Station					(5,659)
Pro Forma Adjustment				\$	(6,849)

h. Depreciation:					
Results of depreciation schedule attached hereto as Exhibit B					
			Pro Forma Depreciation		
Description			Accum. Bal.		Expense
Aluminum Boat			\$ 365	\$	86
Improvements			6,438		394
New Sewer Line			1,267		83
Compressor			301		26
Blower (Hydro Aereobic)			700		0
Chlorinator			1,120		80
Stihl Grass Trimmer			108		30
Drill			35		28
Saw			38		30
Pro Forma Depreciation			\$ 10,372	\$	757
Less: Reported Depreciation					967
Pro Forma Adjustment				\$	(210)
h. Amortization:					
Amortization of nonrecurring expenditures that have been removed from expenses.					
			Amortization		
Description			Life		Expense
Year					Pro Forma
Rebuilt Pump	2002	\$ 8,561	3	\$	2,854

EXHIBIT B
DEPRECIATION SCHEDULE

Description	Date Acquired	Depreciation		Cost/Basis	Accum. Bal.	Expense	Accum. Bal.	Pro Forma
		Meth	Life		12/31/01	12/31/02	12/31/01	Expense
Aluminum Boat	10/01/98	S/L	7	\$ 600	\$ 279	\$ 86	\$ 365	\$ 86
Improvements		S/L	19	7,481	6,044	394	6,438	394
New Sewer Line		S/L	31	2,576	1,184	83	1,267	83
Compressor	09/16/91	S/L	20	526	275	26	301	26
Blower (Hydro Aerobic)	07/01/95	S/L	7	700	650	50	700	0
Chlorinator	04/23/98	S/L	5	1,200	880	240	1,120	80
Stihl Grass Trimmer	05/25/99	S/L	7	212	78	30	108	30
Drill	10/01/01	S/L	7	196	7	28	35	28
Saw	10/13/01	S/L	7	211	8	30	38	30
				<u>\$ 13,702</u>	<u>\$ 9,405</u>	<u>\$ 967</u>	<u>\$ 10,372</u>	<u>\$ 757</u>

EXHIBIT C RATE AND SURCHARGE CALCULATIONS

Revenue Requirement Determination

Pro Forma Operating Expenses	\$ 55,872
Divided by: Operating Ratio	88%
Subtotal	\$ 63,491
Less: Pro Forma Operating Expenses	55,872
Net Operating Income After Income Taxes	\$ 7,619
Multiplied by: Gross-up Factor	1.2254902
Net Operating Income Before Income Taxes	\$ 9,337
Add: Pro Forma Operating Expenses	55,872
Revenue Requirement from Rates	<u>\$ 65,209</u>

Increase in Operating Revenue from Rates

Revenue Requirement from Rates	\$ 65,209
Less: Normalized Operating Revenue from Rates	54,912
Requested Increase	<u>\$ 10,297</u>

Determination of Requested Monthly Rate

Revenue Requirement from Rates	\$ 65,209
Divided by: 12-Months	12
Monthly Revenue Requirement	\$ 5,434.08
Divided by: End-of-Period Customer Level	191
Monthly Rate per Customer	<u>\$ 28.45</u>

Description	Estimated Cost
<u>Remote Lift Station</u>	
Install New Guide Rail Assemblies, 2 4", 7.5 H.P. non-clog Submersible Sewage Pumps, and a Control Panel	\$ 22,552
<u>Sewage Treatment Plant</u>	
2 Blower Motor Assemblies & New Electrical, Control Panel	11,893
13 1 1/4" Diffuser Drops with 3/8" Diffusers	4,145
Pump-out & Dispose of Sludge in Lagoon	75,000
<u>Gravity Sewer Mains</u>	
Video Inspection of Mains	5,400
Estimated Construction Cost	<u>\$ 118,990</u>

Construction Surcharge Calculation

	2-Year	3-Year	4-Year	5-Year
Estimated Construction Cost	\$ 118,990	\$ 118,990	\$ 118,990	\$ 118,990
Divided by: No. of Months	24	36	48	60
Monthly Surcharge Collections	\$ 4,957.92	\$ 3,305.28	\$ 2,478.96	\$ 1,983.17
Divided by: No. of Ratepayers	191	191	191	191
Monthly Surcharge	<u>\$ 25.96</u>	<u>\$ 17.31</u>	<u>\$ 12.98</u>	<u>\$ 10.38</u>

**Airview Estates, Inc.
Sewage Treatment Plant
10411 Forest Garden Lane
Louisville, KY 40223
(502) 426-0061**

December 15, 2003

Tom M. Dorman
Executive Director
KY Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Dorman:

This letter is to certify that Airview Estates, Inc. Sewage Treatment Plant has sent notice of the proposed rate increases to each of its customers by mail. A copy of the notice is enclosed. The notices were mailed on December 15, 2003 by U.S. Postal Service.


Fred Schlatter, President

Airview Estates, Inc. Sewage Treatment Plant

10411 FOREST GARDEN LANE ♦ LOUISVILLE, KENTUCKY 40223

502-426-0061

Notice

This is to inform you that the Airview Estates, Inc. Sewage Treatment Plant is requesting an increase in the sewer rates as follows:

	<u>Existing</u>	<u>Proposed</u>	<u>Percentage Increase</u>
Flat Monthly Residential	\$ 23.96	\$ 28.45	18.74%
Monthly Surcharge	\$ 0.00	\$ 17.31	N/A

The rates contained in this notice are the rates proposed by the Airview Estates, Inc. Sewage Treatment Plant. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky, 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant.

Copies of the application may be obtained at no charge from Airview Estates, Inc. Sewage Treatment Plant at 10411 Forest Garden Lane, Louisville, Kentucky 40223. Upon request from an intervenor, the applicant shall furnish to the intervenor a copy of the application and supporting documents.

Airview Estates, Inc. Sewage Treatment Plant

AIRVIEW ESTATES, INC

Articles of Incorporation



OFFICE OF THE SECRETARY OF STATE
BREMER EHRLER, SECRETARY OF STATE
APPLICATION FOR REINSTATEMENT OF
CHARTER OF CORPORATION ADMINISTRATIVELY DISSOLVED
(Stock Corporations)

Pursuant to the provisions of KRS Chapters 271B, _____
AIRVIEW ESTATES, INC., a Kentucky corporation whose
charter was administratively dissolved by the Secretary of State on JULY 10, 1989,
hereby applies for a certificate of reinstatement, and states as follows:

- (1) The grounds for dissolution either did not exist or have been eliminated;
- (2) The corporation's name satisfies the requirements of KRS 271B.4-010.*

This application is accompanied by:

- X (1) A certificate from the Kentucky Revenue Cabinet reciting that all taxes owed by the corporation have been paid; and
- X (2) Past due annual verification reports for the years 1988-1991, and fee of \$ 55.00 for filing such reports; and
- X (3) A current statement of registered office and registered agent and fee of \$ 10.00 for filing such change (if failure to maintain either or both was the grounds for administrative dissolution); and
- _____ (4) An amendment to the articles of incorporation to extend the corporation's period of duration and filing fee of \$ _____ (if expiration of duration was the grounds for administrative dissolution); and
- X (5) Reinstatement penalty of \$100.

RECEIVED & FILED

JUL 29 27 AM '91

\$100

Dated this 23 day of March, 1991.

Airview Estates, Inc.
Name of Corporation

By: Fred Schlatte
Signature of Officer

Pres.
Title of Officer

*Note: Corporate Name

Before filing an application for reinstatement, each corporation should call the office of the Secretary of State to make certain that its corporation name is still available for its use. If a corporation's name is not available for its use at the time of reinstatement, it must file articles of amendment, changing its name.

BOOK 424 PAGE 828

- ### Note: Time Limit for Reinstatement

*Certificate from Revenue Cabinet - Please request this certificate by writing to the Revenue Cabinet. Written request to the Revenue Cabinet must be signed by a corporate officer and mailed to the following address:

Certificate from the Revenue Cabinet should not be more than thirty (30) days old at time of filing with Secretary of State.

Please submit original of certificate from Revenue Cabinet.

PAID \$ 18.00
REBECCA JACKSON J.C.
Dunlap

END OF DOCUMENT



144337
BOOK 424 PAGE 829

OFFICE OF THE SECRETARY OF STATE
BREMER EHRLER, SECRETARY OF STATE
STATEMENT OF CHANGE
OF REGISTERED OFFICE OR REGISTERED AGENT
OR BOTH

RECEIVED & FILED
JUL 2 9 23 AM '91
#10
N3

Pursuant to the provisions of Kentucky Revised Statutes Chapters 271B or 273, the undersigned corporation organized in the state of Kentucky submits the following statement for the purpose of changing its registered office or registered agent or both in the Commonwealth of Kentucky:

The name of the corporation Airview Estates, Inc.
Street address of its present registered office 7329 St Andrews Church Road
Louisville, Ky
Street address of registered office is hereby changed to 7819 Cardinal Hill Road, Lou., Ky 40214
Name of present registered agent Fred H. Schlatter
Name of registered agent is hereby changed to same

The street address of its registered office and the street address of the business office of its registered agent, as changed will be identical.

Dated 7-23-, 1991.

Airview Estates, Inc.
Name of Corporation

By X Fred H. Schlatter
Signature of Officer

Pres.
Title of Officer

CONSENT OF NEW AGENT

I consent to serve as new registered agent for this corporation.

Signature of New Agent

PAID \$1.00
RECEIVED
JUL 28 PM 3:08
1991
LOGGED BY
AND RECORDED
H66861
Schlatter



OFFICE OF THE SECRETARY OF STATE
**CERTIFICATE OF EXISTENCE
DOMESTIC CORPORATION**

I, BREMER EHRLER, Secretary of State of the Commonwealth of Kentucky, do hereby certify, that according to the records in the office of the Secretary of State of the Commonwealth of Kentucky, _____

AIRVIEW ESTATES, INC.

is a corporation organized and existing under the laws of the Commonwealth of Kentucky, whose date of incorporation is FEBRUARY 1, 1980 ;
and whose period of duration is PERPETUAL .

I further certify, that said corporation has paid all fees due and owing to the office of the Secretary of State of the Commonwealth of Kentucky to date; has delivered to the Secretary of State its most recent annual report, as required by KRS 271B.16-220 or 273.3671; and has not filed articles of dissolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, at Frankfort, Kentucky, this 2ND day of JULY ,
19 91 .

BREMER EHRLER
Secretary of State
Commonwealth of Kentucky

nw

266-358

FEB 01 1980

NOTARIAL PUBLIC
JAMES H. HILL
NOTARY PUBLIC

ARTICLES OF INCORPORATION
OF
AIRVIEW ESTATES, INC.

ORIGINAL COPY FILED
RECORDS OF STATE OF KENTUCKY

FEB 01 1980

James H. Hill
NOTARY PUBLIC

KNOW ALL MEN BY THESE PRESENTS:

That Fred M. Schlatter, of Jefferson County, Kentucky, does hereby form a Corporation in accordance with the laws of the Commonwealth of Kentucky for the purposes set forth in the following Articles of Incorporation as follows:

ARTICLE I

The Name of the Corporation shall be:

AIRVIEW ESTATES, INC.

ARTICLE II

The objects and purposes for which this Corporation is created are as follows:

to-wit:

To purchase, lease and otherwise acquire real estate; to engage in the developing and improving of real estate by grading, draining, building of streets and installation of utilities; to engage in building, erecting and improving all types of buildings and structures; to exchange, rent, option, mortgage, sell and convey real estate; to subdivide real estate; to purchase, lease or otherwise acquire all kinds of personal property; to sell, mortgage, convey or otherwise dispose of all kinds of personal property; to engage in any and all enterprises incident to the business of developing, subdividing, and improving real estate and incident to the business of constructing and renting houses, apartment buildings, commercial buildings condominiums and other structures; to sell, mortgage, lease or otherwise dispose of or deal in mining claims, mineral rights or surface rights; to own, operate, lease, sublease or option any business enterprises or entity that may be necessary or advantageous to this Corporation.

The foregoing enumeration of powers shall not be considered as limitation, but rather as enlargement of the powers of this Corporation generally, and said powers shall be deemed and construed to be conferred in addition to those powers granted by law to the Corporation as such, and this Corporation, in addition to these specific powers aforementioned shall have all general powers reasonably necessary to effect the successful conduct of its business.

ARTICLE III

The duration of this Corporation shall be perpetual, subject to its being

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dissolved in the manner provided by law.

ARTICLE IV

The address of the Corporation is 7329 St. Andrews Church Road, Louisville, Jefferson County, Kentucky. The Corporation's resident agent is Fred M. Schlatter at 7329 St. Andrews Church Road, Louisville, Jefferson County, Kentucky.

ARTICLE V

The total number of shares which the Corporation is authorized to issue is One Thousand (1000) shares of common stock, of par value of \$100.00 each, making a total authorized Capital Stock of One Hundred Thousand Dollars (\$100,000.00). Each share shall have equal and full voting rights.

ARTICLE VI

There shall be one class of shares and it shall be common.

ARTICLE VII

The amount of paid in capital with which this Corporation will begin business is One Thousand Dollars (\$1,000.00).

ARTICLE VIII

The name, address and number of shares subscribed by each of the Incorporators is as follows:

NAME	ADDRESS	NO. OF SHARES
Fred M. Schlatter	7329 St. Andrews Church Road Louisville, Kentucky	10

ARTICLE IX

The Incorporator shall have the pre-emptive right to purchase shares of the Corporation as issued, Treasury Shares and shares offered for sale.

ARTICLE X

At the first meeting of the shareholders, two directors shall serve, namely Fred M. Schlatter and Ruby Schlatter, both of 7329 St. Andrews Church Road, Louisville, Kentucky, and thereafter the number of persons to constitute the Board of Directors shall be not less than two nor more than five, the exact number to be fixed by any special meeting of shareholders called for the purpose of electing directors or at any annual meeting of shareholders at which directors are elected.

ARTICLE XI

The Board of Directors, following the shareholders meeting, shall elect a President and a Secretary-Treasurer. These two officers shall hold office

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for a period of one year or until their successors are elected and qualify.

ARTICLE XII

The Board of Directors shall have the power to make By-laws and Rules to regulate the business of the Corporation, and such regulations concerning the transfer of Capital Stock as will not be inconsistent with the provisions of these Articles or the laws of the State of Kentucky. Provided, however, that any restrictions or limitations that may be placed on the transfer of said capital stock shall be fully set forth, or referred to, on the certificate of stock itself.

ARTICLE XIII

The private property of the stockholders shall not be subject to the payment of the debts of the Corporation to any extent whatever.

IN TESTIMONY WHEREOF, witness the signature of the Incorporator this 24 day of Jan, 1900.


FRED H. SCHLATTER

STATE OF KENTUCKY }
COUNTY OF JEFFERSON } SS

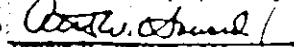
The foregoing instrument was acknowledged before me this 24 day of


January, 1900 by Fred H. Schlatter

Witness my signature this 24 day of January, 1900.

My commission expires Feb 27 1910.

I hereby certify that this instrument was prepared by:


ARTHUR W. HOWARD, Attorney
237 South Fifth Street
Louisville, Kentucky 40202


Notary Public, Jefferson County, Kentucky

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AIRVIEW ESTATES, INC.

TAX RETURNS

**FOR THE YEAR ENDED
MARCH 31, 2003**

Form 1120 U.S. Corporation Income Tax Return 2002

Department of the Treasury Internal Revenue Service

Instructions are separate. See instructions for Paperwork Reduction Act Notice.

IRS use only — Do not write or staple in this space.

For calendar year 2002 or tax year beginning 4/01, 2002, ending 3/31, 2003

OMB No. 1545-0123

A Check if a:

- 1 Consolidated return (attach Form 851) ☐
 2 Personal holding company (attach Schedule PH) ☐
 3 Personal service corp (as defined in Regs. section 1.441-3(c) — see instructions) ☐

Use IRS label. Otherwise, print or type.

AIRVIEW ESTATES, INC.
 10411 FOREST GARDEN LANE
 LOUISVILLE, KY 40223

B Employer identification number

61-0845250

C Date incorporated

4/01/1972

D Total assets (see instructions)

E Check applicable boxes:

(1) Initial return (2) Final return (3) Name change (4) Address change

\$ 228,202.

INCOME	1 a Gross receipts or sales	51,795.	b Less returns & allowances		c Balance	1 c	51,795.
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	51,795.
	4 Dividends (Schedule C, line 19)					4	
	5 Interest					5	
	6 Gross rents					6	
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)					9	
	10 Other income (see instructions — attach schedule)					10	
	11 Total income. Add lines 3 through 10					11	51,795.
DEDUCTIONS SEE INSTRUCTIONS	12 Compensation of officers (Schedule E, line 4)					12	
	13 Salaries and wages (less employment credits)					13	
	14 Repairs and maintenance					14	7,435.
	15 Bad debts					15	
	16 Rents					16	
	17 Taxes and licenses		SEE STATEMENT 1			17	1,139.
	18 Interest					18	
	19 Charitable contributions (see instructions for 10% limitation)					19	
	20 Depreciation (attach Form 4562)	20	485.				
	21 Less depreciation claimed on Schedule A and elsewhere on return	21 a				21 b	485.
	22 Depletion					22	
23 Advertising					23		
24 Pension, profit-sharing, etc. plans					24		
25 Employee benefit programs					25		
26 Other deductions (attach schedule)		SEE STATEMENT 2			26	54,948.	
27 Total deductions. Add lines 12 through 26					27	64,007.	
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	-12,212.	
29 Less: a Net operating loss (NOL) deduction (see instructions)	29 a	0.					
b Special deductions (Schedule C, line 20)	29 b				29 c		
30 Taxable income. Subtract line 29c from line 28					30	-12,212.	
31 Total tax (Schedule J, line 11)					31	0.	
TAX AND PAYMENTS	32 Payments: a 2001 overpayment credited to 2002	32 a					
	b 2002 estimated tax payments	32 b					
	c Less 2002 refund applied for on Form 4466	32 c					
	d Balance	32 d	0.				
	e Tax deposited with Form 7004	32 e					
	f Credit for tax paid on undistributed capital gains (attach Form 2439)	32 f					
	g Credit for federal tax on fuels (attach Form 4136). See instructions	32 g				32 h	0.
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached					33	
	34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34	0.
	35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35	
	36 Enter amount of line 35 you want: Credited to 2003 estimated tax					36	

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title **PRESIDENT**

May the IRS discuss this return with the preparer shown below? (see inst) ☒ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature _____ Date **10/31/03** Check if self-employed ☐

Firm's Name (or yours if self-employed), address, and ZIP Code **WEINBERG, O'KOON & BROWNING, P.S.C.**
10101 LINN STATION, SUITE 550
LOUISVILLE, KY 40223

Preparer's SSN or PTIN **403-40-4011**
 EIN **61-1244341**
 Phone No. **(502) 426-8601**

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional Section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1	8	

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c).**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970).**d** If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO.

9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?☐ Yes ☐ No**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation.☐ Yes ☐ No**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)	SEE INSTR.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from certain FSCs that are subject to the 100% deduction (sec 245(c)(1))	100	
12	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))	100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up (section 78)		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1		

Schedule E Compensation of Officers (see instructions for line 12, page 1)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1					

Schedule J Tax Computation (see instructions)

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563)..... <input type="checkbox"/>			
Important: Members of a controlled group, see instructions.			
2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, & \$9,925,000 taxable income brackets (in that order):			
(1) \$	(2) \$	(3) \$	
b Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750).....		\$	
(2) Additional 3% tax (not more than \$100,000).....		\$	
3 Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see instructions)..... <input type="checkbox"/>		3	0.
4 Alternative minimum tax (attach Form 4626).....		4	
5 Add lines 3 and 4.....		5	0.
6a Foreign tax credit (attach Form 1118).....		6a	
b Possessions tax credit (attach Form 5735).....		6b	
c Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834).....		6c	
d General business credit. Check box(es) and indicate which forms are attached. <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify).....		6d	
e Credit for prior year minimum tax (attach Form 8827).....		6e	
f Qualified zone academy bond credit (attach Form 8860).....		6f	
7 Total credits. Add lines 6a through 6f.....		7	
8 Subtract line 7 from line 5.....		8	
9 Personal holding company tax (attach Schedule PH (Form 1120)).....		9	
10 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule).....		10	
11 Total tax. Add lines 8 through 10. Enter here and on line 31, page 1.....		11	0.

Schedule K Other Information (see instructions)

1 Check method of accounting: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify).....	Yes No		
2 See the instructions and enter the: a Business activity code no. <u>221300</u> b Business activity <u>SERVICE</u> c Product or service <u>SEWER PLANT</u>	Yes No		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If 'Yes,' attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.	X		
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?..... If 'Yes,' enter name and EIN of the parent corporation.....	X		
5 At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If 'Yes,' attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter % owned <u>100%</u> SEE STATEMENT 4	X		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If 'Yes,' file Form 5452, Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.	X		
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? If 'Yes,' enter: (a) Percentage owned..... and (b) Owner's country.....		X	
c The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached.....			
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount..... <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.			
9 Enter the amount of tax-exempt interest received or accrued during the tax year.... \$ <u>NONE</u>			
10 Enter the number of shareholders at the end of the tax year (if 75 or fewer)..... <u>1</u>			
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here..... <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3)(i) or (ii) must be attached or the election will not be valid.			
12 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) - \$ <u>2,066</u>			
13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. \$ <u>NONE</u>		X	

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Note: The corporation is not required to complete Schedules L, M-1 and M-2 if Question 13 on Schedule K is answered 'Yes.'

Schedule L Balance Sheets per Books

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		9,400.		1,174.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach schedule) .. SEE. ST. 5.		5,000.		5,000.
7 Loans to shareholders		188,760.		185,260.
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other depreciable assets	77,392.		77,392.	
b Less accumulated depreciation	69,838.	7,554.	70,324.	7,068.
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)		29,700.		29,700.
13a Intangible assets (amortizable only)				
b Less accumulated amortization				
14 Other assets (attach schedule)				
15 Total assets		240,414.		228,202.
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach sch)				
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more				
21 Other liabilities (attach schedule)				
22 Capital stock: a Preferred stock				
b Common stock	7,000.	7,000.	7,000.	7,000.
23 Additional paid-in capital		62,392.		62,392.
24 Retained earnings — Approp (att sch)				
25 Retained earnings — Unappropriated		180,022.		167,810.
26 Adjmnt to shareholders' equity (att sch)				
27 Less cost of treasury stock		9,000.		9,000.
28 Total liabilities and shareholders' equity		240,414.		228,202.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)

1 Net income (loss) per books	-12,212.	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books		Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):			
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation	\$	a Depreciation	\$
b Charitable contributions	\$	b Charitable contribns	\$
c Travel & entertainment	\$		
6 Add lines 1 through 5	-12,212.	9 Add lines 7 and 8	0.
		10 Income (line 28, page 1) — line 6 less line 9	-12,212.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	180,022.	5 Distributions	a Cash
2 Net income (loss) per books	-12,212.	b Stock	c Property
3 Other increases (itemize):		6 Other decreases (itemize):	
4 Add lines 1, 2, and 3	167,810.	7 Add lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	167,810.

Underpayment of Estimated Tax by Corporations

OMB No. 1545-0142

2002

Department of the Treasury
Internal Revenue Service▶ See separate instructions.
▶ Attach to the corporation's tax return.

Name **AIRVIEW ESTATES, INC.** Employer identification number **61-0845250**

Note: In most cases, the corporation *does not* need to file Form 2220. (See Part I below for exceptions.) The IRS will figure any penalty owed and bill the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 34 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.

Part I Reasons for Filing — Check the boxes below that apply to the corporation. If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty.

- 1 ☐ The corporation is using the annualized income installment method.
 2 ☐ The corporation is using the adjusted seasonal installment method.
 3 ☐ The corporation is a 'large corporation' figuring its first required installment based on the prior year's tax.

Part II Figuring the Underpayment

4	Total tax (see instructions).....	4	
5a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4.....	5a	
5b	Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method.....	5b	
5c	Credit for Federal tax paid on fuels (see instructions).....	5c	
5d	Total. Add lines 5a through 5c.....	5d	
6	Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty.....	6	
7	Enter the tax shown on the corporation's 2001 income tax return (see instructions) Caution: If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 6 on line 8.	7	
8	Enter the smaller of line 6 or line 7. If the corporation is required to skip line 7, enter the amount from line 6.....	8	
9	Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990 — PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year.....	(a)	(b)
10	Required installments. If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 40. If the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 8 above in each column.....	(c)	(d)
11	Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15..... <i>Complete lines 12 through 18 of one column before going to the next column.</i>		
12	Enter amount, if any, from line 18 of the preceding column.....		
13	Add lines 11 and 12.....		
14	Add amounts on lines 16 and 17 of the preceding column.....		
15	Subtract line 14 from line 13. If zero or less, enter -0-.....		
16	If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-.....		
17	Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18.....		
18	Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column.....		

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 2220 (2002)

Part III Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2002 and before 1/1/2003	21			
22 Underpayment on line 17 \times $\frac{\text{Number of days on line 21}}{365}$ \times 6%	22			
23 Number of days on line 20 after 12/31/2002 and before 4/1/2003	23			
24 Underpayment on line 17 \times $\frac{\text{Number of days on line 23}}{365}$ \times 5%	24			
25 Number of days on line 20 after 3/31/2003 and before 7/1/2003	25			
26 Underpayment on line 17 \times $\frac{\text{Number of days on line 25}}{365}$ \times %	26			
27 Number of days on line 20 after 6/30/2003 and before 10/1/2003	27			
28 Underpayment on line 17 \times $\frac{\text{Number of days on line 27}}{365}$ \times %	28			
29 Number of days on line 20 after 9/30/2003 and before 1/1/2004	29			
30 Underpayment on line 17 \times $\frac{\text{Number of days on line 29}}{365}$ \times %	30			
31 Number of days on line 20 after 12/31/2003 and before 2/16/2004	31			
32 Underpayment on line 17 \times $\frac{\text{Number of days on line 31}}{366}$ \times %	32			
33 Add lines 22, 24, 26, 28, 30, and 32	33			
34 Penalty. Add columns (a) through (d), of line 33. Enter the total here and on Form 1120, line 33; Form 1120-A, line 29; or the comparable line for other income tax returns	34			0.

*For underpayments paid after March 31, 2003: For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS Web Site at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.

Form **4562**Department of the Treasury
Internal Revenue Service**Depreciation and Amortization**
(Including Information on Listed Property)

- See separate instructions.
- Attach to your tax return.

OMB No. 1545-0172

2002

67

Name(s) shown on return

AIRVIEW ESTATES, INC.

Identifying number

61-0845250

Business or activity to which this form relates

FORM 1120**Part I Election To Expense Certain Tangible Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses	1	\$24,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2003. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	485.

Part III MACRS Depreciation (Do not include listed property.) (See instructions)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2002	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B — Assets Placed in Service During 2002 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C — Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	485.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

BAA For Paperwork Reduction Act Notice, see instructions.

FDZ0812L 12/12/02

Form 4562 (2002)

-32-

AIRVIEW ESTATES, INC.

61-0845250

STATEMENT 1
FORM 1120, LINE 17
TAXES AND LICENSES

LICENSES AND PERMITS		\$	1,139.
	TOTAL	\$	<u>1,139.</u>

STATEMENT 2
FORM 1120, LINE 26
OTHER DEDUCTIONS

BANK CHARGES	\$	125.
CLEANING		1,086.
INSURANCE		1,466.
LAB COST, TESTING, ETC.		23,999.
LAWN CARE		1,605.
LEGAL AND PROFESSIONAL		2,583.
MANAGEMENT FEE		2,750.
OPERATING FEES		6,600.
SLUDGE REMOVAL		2,235.
UTILITIES		4,422.
WATER		8,077.
	TOTAL	\$ <u>54,948.</u>

STATEMENT 3
FORM 1120, LINE 29A
NET OPERATING LOSS DEDUCTION

CARRYOVER GENERATED FROM YEAR END	3/31/00	\$	2,066.
AVAILABLE FOR CARRYOVER TO 2002			2,066.
NET OPERATING LOSSES AVAILABLE IN 2002		\$	<u>2,066.</u>
TAXABLE INCOME			-12,212.
TOTAL NET OPERATING LOSS DEDUCTION (LIMITED TO TAXABLE INCOME)			<u>0.</u>

STATEMENT 4
FORM 1120, SCHEDULE K, LINE 5
50% OR MORE OWNERS

NAME	:	FRED SCHLATTER
ID NUMBER	:	404-30-0713
PERCENTAGE OWNED	:	100.00%

2002

FEDERAL STATEMENTS

PAGE 2

AIRVIEW ESTATES, INC.

61-0845250

STATEMENT 5
FORM 1120, SCHEDULE L, LINE 6
OTHER CURRENT ASSETS

	<u>BEGINNING</u>	<u>ENDING</u>
DEPOSITS.....	\$ 5,000.	\$ 5,000.
TOTAL	<u>\$ 5,000.</u>	<u>\$ 5,000.</u>

720
41A720

Revenue Cabinet

Kentucky Corporation Income
and License Tax Return
(S Corporations Use Form 720S)2002
Taxable Year Ending
3/03
MO/YR

▶ See separate instructions. Taxable period beginning 4/01, 2002, and ending 3/31, 2003.

A Check applicable box(es).
Income Tax Return☒ Separate entity
Consolidated
Must attach Form 722

Return not required

Enter code

License Tax Return

☒ Separate entity
Consolidated

Return not required

Enter code

B Federal
Identification Number

61-0845250

C Kentucky
Account Number

033072

Name of Corporation or Affiliated Group (Place preaddressed label here; otherwise print or type.)

AIRVIEW ESTATES, INC.

State and Date of Incorporation

KY 4/01/1972

Number and Street

10411 FOREST GARDEN LANE

Principal Business Activity in Kentucky

SERVICE

City

State

ZIP Code

LOUISVILLE, KY 40223

Telephone Number

Kentucky Business Code Number

221300

D Name of Common Parent

Kentucky Account Number

033072

Federal Business Code Number

221300

E Check if applicable: LLC Initial return Final return/dissolution Final return/withdrawal

Short-period return (attach statement of explanation)

Change of name/address

PART I - TAXABLE INCOME COMPUTATION

1 Federal taxable income (Form 1120, line 28; Form 1120A, line 24)	-12212.
ADDITIONS:	
2 Interest income (state and local obligations)	
3 State taxes based on net/gross income	
4 Safe harbor lease adjustment	
5 Deductions attrib to nontaxable income	
6 Other (attach schedule)	
7 Total (add lines 1 through 6)	-12212.
SUBTRACTIONS:	
8 Interest income (U.S. obligations)	
9 Dividend income	
10 Federal work opportunity credit	
11 Safe harbor lease adjustment	
12 Other (attach schedule)	
13 Net income (line 7 less lines 8 through 12)	-12212.
14 Taxable net income (attach Sch A if applicable)	-12212.
15 Net operating loss deduction	
16 Taxable net income (after NOLD)	-12212.

PART II - INCOME TAX COMPUTATION

1 Income tax liability (see instructions)	
2 Economic development tax credits	
3 Unemployment tax credit	
4 Recycling/composting equipment tax credit	
5 Coal conversion tax credit	
6 Enterprise zone tax credit	
7 Kentucky investment fund tax credit	
8 Coal incentive tax credit	
9 Qualified research facility tax credit	
10 GED incentive tax credit	
11 Net income tax liability	
12 Estimated payments	
13 Extension payment	
14 Prior year's credit	
15 License tax overpayment (Part III, line 23)	
16 Income tax due	

17 Income tax overpayment	
18 Credited to 2002 license tax	
19 Credited to 2003	
20 Amount to be refunded	

PART III - LICENSE TAX COMPUTATION

1 Capital stock	60392.
2 Computation of surplus (attach schedules for a & b)	
a Total assets	228202.
b Less debts	
c Net assets	228202.
d Less capital stock	60392.
3 Surplus (line 2c minus 2d)	167810.
4 Advances by affiliated companies	
5 Intercompany accounts	
6 Borrowed moneys	
7 Less moneys borrowed for inventory	
8 Less KRS 136.071 deduction	
9 Total capital (combine lines 1 and 3 through 8)	228202.
10 Apportionment fraction (attach Sch A if applicable)	100.0000 %
11 Capital employed subject to tax	228202.
12 Tax before credit (line 11 multiplied by .0021)	479.
13 License tax credit (maximum \$490)	319.
14 License tax liability (minimum \$30)	160.
15 Kentucky investment fund tax credit	
16 KIRA tax credit (see instructions)	
17 Coal incentive tax credit	
18 Net license tax liability	160.
19 Extension payment	
20 Income tax overpayment (Part II, line 18)	
21 License tax due	160.
22 License tax overpayment	
23 Credited to 2002 income tax	
24 Credited to 2003	
25 Amount to be refunded	

Caution: An election to file a consolidated income tax return does not apply for license tax. See instructions.

Mail return with payment to:
Kentucky Revenue Cabinet, Frankfort, Kentucky 40620.

TAX PAYMENT SUMMARY (Round to Nearest Dollar) Make check(s) payable to Kentucky State Treasurer or

check here if EFT payment.

41A7200212

1030

Income		Penalty	16.
License	160.	Interest	3.
Total (including Penalty and Interest)			179.

▶ Federal Form 1120, pages 1 and 4, or 1120A, pages 1 and 2, must be attached.

KYCA0101L 12/19/02

SCHEDULE Q – KENTUCKY CORPORATION QUESTIONNAIRE

KYCA0102L 08/26/02

IMPORTANT: Questions 4 - 12 must be completed by all corporations. If this is the corporation's initial return or if the corporation did not file a return under the same name and same federal identification number for the preceding year, questions 1, 2 and 3 must be answered. Failure to do so may result in a request for a delinquent return.

- 1 Indicate whether: (a) ☐ completely new business;
 (b) ☐ successor to previously existing business which was organized as: (1) ☐ corporation; (2) ☐ partnership;
 (3) ☐ sole proprietorship; or (4) ☐ other _____

If successor to previously existing business, give name, address and federal identification number of the previous business organization.

- 2 List the following *Kentucky* account numbers. Enter N/A for any number not applicable.

Employer withholding _____
 Sales and use tax permit _____
 Consumer use tax _____
 Unemployment insurance _____
 Coal severance and/or processing tax _____

- 3 If a foreign corporation, enter the date qualified to do business in Kentucky. _____

- 4 The corporation's books are in care of: (name and address)

- 5 Did the corporation at any time during the taxable year own 50 percent or more of the voting stock of another corporation, either domestic or foreign? ☐ Yes ☒ No

- 6 Did any corporation, individual, partnership, trust or association at any time during the taxable year own 50 percent or more of the corporation's voting stock? ☒ Yes ☐ No

If 'Yes,' attach a schedule listing the name, address and federal identification number of the entity. **SEE STMT 1**

- 7 If the corporation has a **KNOL** for the taxable year and is electing to forego the net operating loss carryback period, check here. ☐

- 8 Is the corporation a partner in a partnership doing business in Kentucky? ☐ Yes ☒ No
 If 'Yes,' list name and federal identification number of the partnership _____

Did the corporation have property or payroll in Kentucky, other than partnership property or payroll? ☐ Yes ☒ No

- 9 Was this return prepared on: (a) ☐ cash basis, (b) ☒ accrual basis, (c) ☐ other _____

- 10 Is the corporation a public service corporation subject to taxation under KRS 136.120? ☐ Yes ☒ No

- 11a Did the corporation file a Kentucky intangible property tax return for January 1, 2003? ☐ Yes ☒ No

- b Did the corporation file a Kentucky tangible personal property tax return for January 1, 2003? ☐ Yes ☒ No

- 12 Is the corporation currently under audit by the Internal Revenue Service? ☐ Yes ☒ No
 If 'Yes,' enter years under audit _____

If the Internal Revenue Service has made final and unappealable adjustments to the corporation's taxable income which have not been reported to this cabinet, check here ☐ and file Form 720X, Amended Kentucky Corporation Income Tax and Corporation License Tax Return, for each year adjusted and attach a copy of the final determination.

OFFICER INFORMATION (Failure to provide requested information may result in a penalty)

Has the officer information entered below changed from the last return filed? ☐ Yes ☒ No

President's name: _____

President's home address: _____

President's social security number: _____

Vice President's name: _____

Vice President's home address: _____

Vice President's social security number: _____

Treasurer's name: _____

Treasurer's home address: _____

Treasurer's social security number: _____

Secretary's name: _____

Secretary's home address: _____

Secretary's social security number: _____

I, the undersigned, declare under the penalties of perjury, that I have examined these returns, including all accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.

41A7200222

Signature of Principal Officer or Chief Accounting Officer

Date

WEINBERG, O'KOON & BROWNING, P.S.C.

61-1244341

Name and Social Security or Federal Identification Number of Person or Firm Preparing Return

10101 LINN STATION, SUITE 550, LOUISVILLE, KY 40223

1030

-36-

Kentucky Assets and Debts

Assets		
1	Cash	1,174.
2a	Trade notes and accounts receivable	
b	Less allowance for bad debts	
3	Inventories	
4	U.S. government obligations	
5	Tax-exempt securities	
6	Other current assets	SEE STATEMENT 2 5,000.
7	Loans to shareholders	185,260.
8	Mortgage and real estate loans	
9	Other investments	
10a	Buildings and other depreciable assets	77,392.
b	Less accumulated depreciation	70,324. 7,068.
11a	Depletable assets	
b	Less accumulated depletion	
12	Land (net of any amortization)	29,700.
13a	Intangible assets (amortizable only)	
b	Less accumulated amortization	
14	Other assets	
15	Total assets	228,202.
Debts		
16	Accounts payable	
17	Mortgages, notes, bonds payable in less than 1 year	
18	Other current liabilities	
19	Loans from shareholders	
20	Mortgages, notes, bonds payable in 1 year or more	
21	Other liabilities	
22	Total debts	0.

2002

KENTUCKY STATEMENTS

PAGE 1

CLIENT 90

AIRVIEW ESTATES, INC.

033072

10/31/03

12:13PM

STATEMENT 1
FORM 720, PAGE 2, QUESTION 6
50% OR MORE OWNERS

NAME : FRED SCHLATTER
ID NUMBER : 404-30-0713
PERCENTAGE OWNED : 100.00%

STATEMENT 2
FORM 720, PAGE 1, PART III, LINE 2A
OTHER CURRENT ASSETS

DEPOSITS.....
TOTAL \$ 5,000.
\$ 5,000.